

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

Youth Services of Southwest Louisiana, Inc.
Lake Charles, LA

June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/28/09

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Youth Services of Southwest Louisiana, Inc.

We have audited the accompanying statements of contract revenues and allowable program expenses-cash basis of Youth Services of Southwest Louisiana, Inc. as of June 30, 2008, and for the year then ended. These statements of contract revenues and allowable program expenses-cash basis are the responsibility of Youth Services of Southwest Louisiana, Inc.'s management. Our responsibility is to express an opinion on the financial statements based on our audit.

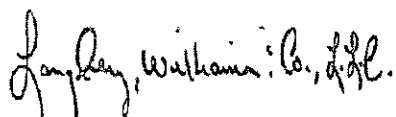
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present the contract revenues and allowable program expenses-cash basis of Youth Services of Southwest Louisiana, Inc., a contract between Youth Services of Southwest Louisiana, Inc. and State of Louisiana Department of Social Services, as described in Note B.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the contract revenues and allowable program expenses-cash basis of Youth Services of Southwest Louisiana, Inc. as of June 30, 2008 and for the year then ended, pursuant to the grant referred to in Note B, in conformity with the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2008, on our consideration of Youth Services of Southwest Louisiana, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over the financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the board of trustees and management of Youth Services of Southwest Louisiana, Inc. and State of Louisiana Department of Social Services. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Langley, William C., L.L.C.".

Lake Charles, LA
December 22, 2008

Youth Services of Southwest Louisiana, Inc.

STATEMENT OF CONTRACT REVENUES AND
ALLOWABLE PROGRAM EXPENSES - CASH BASIS
CFMS #646877

For the Year Ended June 30, 2008

CONTRACT REVENUES	\$ 46,478
PROGRAM EXPENSES:	
Professional services	39,387
Travel	1,302
Education	350
Supplies	5,633
Miscellaneous	<u>130</u>
	<u>46,802</u>
EXCESS EXPENDITURES	\$(<u>324</u>)

The accompanying notes are an integral part of this statement.

Youth Services of Southwest Louisiana, Inc.

STATEMENT OF CONTRACT REVENUES AND
ALLOWABLE PROGRAM EXPENSES - CASH BASIS
CFMS # 646876

For the Year Ended June 30, 2008

CONTRACT REVENUES	\$ 17,421
PROGRAM EXPENSES:	
Educational and training voucher	<u>14,877</u>
EXCESS REVENUES	\$ <u>2,544</u>

The accompanying notes are an integral part of this statement.

Youth Services of Southwest Louisiana, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Operations

Youth Services of Southwest Louisiana, Inc. is designed to provide help for foster children between the ages of 16 and 18 years to successfully transition themselves from living in foster care to living on their own as young adults.

2. Financial Reporting Entity and Income Taxes

This report includes operations of Youth Services of Southwest Louisiana, Inc. a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes are presented on the statements.

3. Basis of Presentation

Financial statement presentation has been prepared in compliance with the terms under a contractual grant agreement which specifies certain allowable expenses. The presentation is a statement of contract revenues and program expenses between Youth Services of Southwest Louisiana, Inc. and the State of Louisiana Department of Social Services.

4. Basis of Accounting

The Program has prepared its financial statements on the cash basis of accounting, recognizing revenues when cash is received and expenses when cash is disbursed.

5. Estimates

The preparation of financial statements requires management estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE B - GRANTS

Contract revenues represent \$46,478 and \$17,421 of funds received from the State of Louisiana, Department of Social Services, contracted under the Independent Living Skills Program, CFMS #646877, and the CFIP Education and Training Vouchers Program, CFMS #646876, respectively.

SUPPLEMENTAL INFORMATION



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Youth Services of Southwest Louisiana, Inc.

We have audited the financial statements of the Youth Services of Southwest Louisiana, Inc. (a nonprofit organization) for the year ended June 30, 2008, and have issued our report thereon dated December 22, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Youth Services of Southwest Louisiana, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Youth Services of Southwest Louisiana, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Youth Services of Southwest Louisiana, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Youth Services of Southwest Louisiana, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Youth Services of Southwest Louisiana, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Youth Services of Southwest

A material weakness is a significant deficiency, or combination of significant deficiencies that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Youth Services of Southwest Louisiana, Inc.'s internal control.

Louisiana,

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

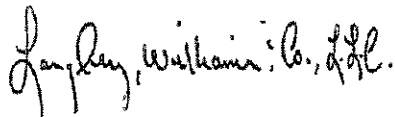
Compliance and Other Matters

As part of obtaining reassurance about whether Youth Services of Southwest Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

No separate management letter was issued for this engagement.

Youth Services of Southwest Louisiana, Inc.'s response to the findings identified in our audit is describe in the accompanying schedule of findings and questioned costs. We did not audit Youth Services of Southwest Louisiana, Inc.'s response, and accordingly, we express no opinion on it.

This report is intended for the information of the management of the Youth Services of Southwest Louisiana, Inc., and the State of Louisiana Department of Social Services. However, this report is a matter of public record, and its distribution is not limited.



Lake Charles, LA
December 22, 2008

Youth Services of Southwest Louisiana, Inc.

AUDIT FINDINGS AND QUESTIONED COST

For the Year Ended June 30, 2008

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Youth Services of Southwest Louisiana Inc. for the year ended June 30, 2008.
2. A separate management letter was not issued.
3. Internal control over financial reporting:
Material weakness identified? ☐ Yes ☒ No
Reportable conditions identified not considered material weaknesses? ☐ Yes ☒ None reported
4. Noncompliance material to financial statements noted? ☐ Yes ☒ No

Reportable conditions identified not considered material weaknesses? ☐ Yes ☒ None reported

PRIOR YEAR FINDINGS

Description of Finding: Youth Services of Southwest Louisiana, Inc. did not issue its annual financial audit within the time guidelines of its funding agency.

Corrective Action Planned: Youth Services of Southwest Louisiana, Inc. considers this instance of non-compliance to be the result of Hurricane Rita and the subsequent death of one of the principle service providers for these programs. Youth Services of Southwest Louisiana, Inc. is completing its accounting records and making them available to their auditors so that reporting requirements are met.

Corrective Action Taken: Youth Services of Southwest Louisiana, Inc. completed its accounting records and made them available for audit in a timely fashion allowing completion of the audit prior to the due date.